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ENERGY AND COMMERCE COMMITTEE
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THE INTERNET
RESOURCES COMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515-2107
July 24, 2002

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The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Powell:

Resuscitating the telecommunications sector of our economy will require bold action on the part of the Commission. As its Chairman, you are uniquely positioned to provide the leadership required to jump-start economic activity by taking concrete steps to dramatically accelerate the digital television transition.

As you know, the digital television transition is woefully behind schedule and is highly unlikely to conclude by the end of 2006. The slowness of the transition is holding back two important telecommunications revolutions that could greatly contribute to economic growth, innovation and job creation. First, the lack of meaningful progress in the DTV transition impedes the growth of various industries in the interactive television marketplace, including high tech manufacturers, software engineers, and content producers. Second, the fact that broadcasters will not relinquish to the government their current analog broadcasting frequencies anytime soon means that a new generation of wireless technologies and services that could utilize such frequencies is also thwarted from reaching the marketplace.

Commission action to accelerate the DTV transition would send a strong signal to entrepreneurs and the investment community that the Commission is committed to creating an environment where the technology sector can once again drive growth and productivity in the American economy. The promise of DTV for consumers and our economy has been held back for far too long due in part to inter-industry jockeying for advantage as well as to the reluctance of policymakers to step in decisively to secure greater progress. It is important to recognize that at its core the DTV transition represents a government-driven policy, not a purely market-driven phenomenon, and it is therefore imperative that government do more to create the conditions and environment for policy success. Failure to do so is unfair to consumers, taxpayers, and to the various high tech industries with a stake in the future of television and the new generation of wireless services that could operate using frequencies that the broadcasters ultimately give back.

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I want to commend you for your prior efforts to exhort the various industries directly involved in the DTV transition to do more, and at a stepped up pace, on a voluntary basis. Voluntary pledges of additional progress are certainly welcome. As you know, under the auspices of Chairman Tauzin's "round table" discussions on DTV, various industries have also met several times over the last year to discuss issues related to the DTV transition. Similarly, participants in these discussions were pressed and encouraged to reach certain technical agreements and demonstrate progress.

Unfortunately, it is increasingly clear that as important as it is to exhort the industry to do more, and as welcome as it is to call upon industry leaders for voluntary efforts, such hortatory rhetoric is no substitute for real action because voluntary efforts alone will not achieve our important policy objectives in timely fashion. With Congress now poised to legislate omnibus legislation to put the DTV transition back on track, the Commission can greatly assist Congress by taking action sooner where it already possesses authority to do so. Moreover, by moving beyond mere calls for voluntary pledges of limited progress, Commission action can help to bring the technology sector out of the doldrums.

Toward that end, I call upon you to take action to promulgate rules at the earliest possible date to compel the consumer electronics (CE) industry to include digital tuners in television sets by a date certain. Including digital tuners in larger, more expensive sets, at earlier dates, should be followed in short order by widespread adoption in the CE industry of digital technology capable of displaying a digital television broadcast in all sets 13 inches and above. As you may know, in 1997, I offered an amendment unsuccessfully in the House Commerce Committee to require the inclusion of digital technology in all sets by 2001. Yet given the fact that annual TV sales exceed 25 million units per year, had that amendment been adopted, consumers would have seen the introduction of 50 million units for 2001 and 2002, with the prospect of a total of over 150 million digital-capable sets by the end of 2006, the target date for the transition to end. Such consumer availability of the means of displaying digitally-broadcast content would have created a climate today for other industries to similarly provide more related equipment and content to reach that burgeoning market. It is precisely this type of significant government-driven mandate ensuring real movement that the DTV transition, and derivatively, our high tech economy needs right now.

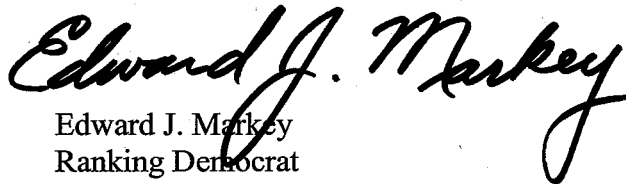
Moreover, I believe that Commission should act to conclude its ongoing review of must-carry obligations, equipment compatibility and interoperability, and other DTV-related proceedings. I encourage you to finish your work on these proceedings as expeditiously as possible, without waiting for Congress to act legislatively in these important policy areas and where the Commission has unquestioned authority to promulgate rules today.

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Again, generating optimism in the high tech sector that the DTV transition is underway by taking concrete action will promote innovation and investment in both the interactive television marketplace and in new wireless services. I strongly urge you to do so for the consumer benefits that will derive from both of these revolutions and the economic activity that such forthright regulatory steps will stimulate.

I am eager to hear your views of these matters, including whether you agree that the CE industry should be required to make television receivers capable of receiving and displaying digital television broadcasts by government-established dates. Please provide me by August 1st a statement of any specific actions you are prepared to take that will compel industry action to accelerate the DTV transition, as well as when you expect the Commission to act upon such tasks. Thank you in advance for your time and attention in responding to this request.

Sincerely,

A handwritten signature in black ink that reads "Edward J. Markey". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Edward J. Markey
Ranking Democrat
House Subcommittee on
Telecommunications and the Internet